

Attorney's Docket No.: 07314/013001

REMARKS

In view of the foregoing amendments and the following remarks, reconsideration and allowance are respectfully requested.

Status of Claims

Claims 1-87 were pending at the time of this Office Action. Claims 1-7, 16-36, 45-65, and 74-87 were withdrawn from consideration in the reply filed on 6/25/2003. Claims 8-15, 37-44, and 66-73 are currently pending.

Claims 8-15, 37-44, and 66-73 were rejected under 35 U.S.C. 102(b) as being allegedly being anticipated by Nainpally et al. (U.S. Patent No. 5,294,974).

Claims 66-73 were rejected under 35 U.S.C. 103(a) as being allegedly being unpatentable over Yanagihara (U.S. Patent No. 5,374,958) in view of Reininger et al. (U.S. Patent No. 5,426,463).

Claims 8-10, 12-14, 37-39, 41-43, 66-68, and 70-72 are currently amended. No new matter has been added.

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Interview Summary with Examiner

The Applicant's representatives thank the Examiner for the telephonic interview held with the Examiner on June 15, 2005. The above-mentioned claim rejections were discussed.

During that interview, the Examiner agreed that claims amended to include "first macroblock" language would overcome the current rejection under 35 U.S.C. 103(a) to Claims 66-73. Claims 66 and 70 have been amended to explicitly recite the subject matter in the specification with respect to the macroblocks to obviate their rejection over Reininger.

The telephonic discussion also discussed the rejection of Claims 8-15, 37-44, and 66-73, which were rejected under 35 U.S.C. 102(b) to Naimpally. In response, the claims are amended to emphasize their patentable distinctions and to exclude Naimpally's quantization resolution as a function of hue.

All claims are amended to exclude quantization resolution as a function of hue of the type disclosed by Naimpally. Naimpally discloses a high-definition video encoding system having color-sensitive quantization. Naimpally's quantization step size is finer for colors near red. In contrast, the present claims define the finer step size is independent of hue (e.g., see Claim 8) or "for all hues" (e.g., see Claim 12). Each of the independent claims should be allowable for these reasons.

Claims 9-11, 13-15, 38-40, 42-44, 67-69, 71-73

Claims 9-10, 13-14, 38-39, 42-43, 67-68, 71-72 are amended to be independent claims and incorporate the patentable subject matter of their respective base claim (e.g., base Claim 8 for Claims 9-10, base Claim 12 for Claims 13-14, base Claim 37 for Claims 38-39, base Claim 41 for Claims 42-43, base Claim 66 for

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Claims 67-68, and base Claim 70 for Claims 71-72). Allowance of these independent claims is respectfully requested.

Claims 11, 15, 40, 44, 69, 73 are patentable at least for depending upon an allowable base claim (e.g., base Claim 10 for Claim 11, base Claim 14 for Claim 15, base Claim 39 for Claim 40, base Claim 43 for Claim 44, base Claim 68 for Claim 69, and base Claim 72 for Claim 73). Allowance of these dependent claims is respectfully requested.

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Conclusion

It is believed that all of the pending claims have been addressed in this paper. However, failure to address a specific rejection, issue, or comment, does not signify agreement with or concession of that rejection, issue or comment. In addition, because the arguments made above are not intended to be exhaustive, there may be reasons for patentability of any or all pending claims (or other claims) that have not been expressed. Finally, nothing in this paper should be construed as an intent to concede any issue with regard to any claim, except as specifically stated in this paper, and the amendment of any claim does not necessarily signify concession of unpatentability of the claim prior to its amendment.

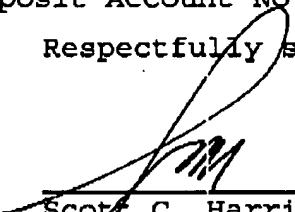
Claims 8-15, 37-44, and 66-73 are in condition for allowance, and a notice to that effect is respectfully solicited.

Should any issues remain after this amendment, the Examiner is encouraged to call the undersigned at (858) 678-4321 in an attempt to address those issues.

Please apply the \$60.00 one month extension fee and any other charges or credits to Deposit Account No. 06-1050.

Respectfully submitted,

Date: July 11, 2005



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